

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 91-182-C - ORDER NO. 91-570 ✓  
JULY 3, 1991

IN RE: Application of Nationwide American	)
Communications, Inc. for a Certificate	) ORDER
of Public Convenience and Necessity to	) GRANTING
Operate as a Reseller of Intrastate	) CERTIFICATE
Telecommunications Service.	)

This matter is before the Public Service Commission of South Carolina (the Commission) by way of the application of Nationwide American Communications, Inc. (Nationwide or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. Nationwide's application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1990) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Nationwide to publish a prepared Notice of Filing in newspapers of general circulation in the affected areas once a week for two consecutive weeks. The purpose of the Notice of Filing was to inform interested parties of Nationwide's application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. Nationwide complied with this instruction and

provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was filed by Southern Bell Telephone & Telegraph Company (Southern Bell).

A hearing was commenced on Tuesday, June 18, 1991, at 11:00 a.m. in the Commission's Hearing Room. The Honorable Marjorie Amos-Frazier presided. B. C. Killough, Esquire, and J. Thornton Kirby, Esquire, represented Nationwide; Caroline Watson, Esquire, represented Southern Bell; and Gayle B. Nichols, Staff Counsel, represented the Commission Staff.

At the beginning of the hearing Southern Bell introduced a Stipulation signed by Nationwide and Southern Bell. This Stipulation states that any grant of authority should be solely for interLATA services and if any intraLATA calls are inadvertently completed Nationwide agrees to reimburse Southern Bell. Hearing Exhibit 1.<sup>1</sup> After introducing the Stipulation, Southern Bell withdrew its intervention.

Nationwide presented the testimony of Jayson F. Silver, President of the Company, in support of its application. Mr. Silver explained Nationwide's request for certification to operate as a reseller of interexchange telecommunications services in South Carolina. He outlined Nationwide's financial qualifications, background, and technical capabilities. Mr. Silver testified that public convenience and necessity required

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1. Additionally, the parties stipulated that all operator services would be only for interLATA calls. At the hearing, however, Nationwide stressed it was not seeking authority for operator services.

issuance of Nationwide's requested certificate, primarily because it offers 800 services which allow its customers to provide toll-free numbers at a lower cost than that offered by national long-distance companies. Mr. Silver testified that Nationwide is certified as a long distance reseller in Florida, Texas, and New York and resells long distance services in Michigan and New Jersey which do not require certification.

After full consideration of the applicable law and of the evidence presented by Nationwide, Southern Bell, and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law.

#### FINDINGS OF FACT

1. Nationwide is incorporated under the laws of the State of Florida and has a certificate of authority to transact business as a foreign corporation in the State of South Carolina.

2. Nationwide operates as a reseller of long distance telecommunications. Presently, Nationwide resells the services of MCI Communications. As a reseller, Nationwide will rely on the underlying carrier to provide all switching functions, billing information, and all originating and terminating transmission facilities in conjunction with local exchange company provided access service. Nationwide proposes to market only incoming 800 services to commercial customers in South Carolina.

3. Nationwide will provide its own billing and collection services.

4. Nationwide does not intend to provide any operator

services.

5. Nationwide has the experience, capability, and financial resources to provide the services as described in its application.

#### CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a certificate of public convenience and necessity should be granted to Nationwide to provide intrastate, interLATA service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Services, or any other services authorized for resale by tariffs of facility-based carriers approved by the Commission.

2. Nationwide shall only use network services which either block or switch to the local exchange carrier (LEC) intraLATA calls which are attempted over the network. If Nationwide incidentally or accidentally completes any intraLATA calls, the LEC shall be compensated by Nationwide as ordered by the Commission in Order No. 86-793, issued August 5, 1986, in Docket No. 86-187-C.

3. The Commission adopts a rate design for Nationwide which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate level with the flexibility for adjustment below the maximum rate level has been previously adopted by the Commission. In Re: Application of GTE Sprint Communication Corporation etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984). The Commission adopts Nationwide's

proposed maximum rate tariffs.

4. Nationwide shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Nationwide shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of Nationwide's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1990).

5. For the provision of intrastate telecommunications service Nationwide may only use underlying facility-based carriers that are certified by this Commission to provide such service. Nationwide shall notify the Commission in writing of its underlying carrier(s) and of any change in its carrier(s).

6. Nationwide shall file its tariff and an accompanying price list to reflect the Commission's findings within thirty (30) days of the date of this Order.

7. Nationwide is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

8. Nationwide shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No.


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88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

IT IS SO ORDERED.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

**ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS**

**FOR INTEREXCHANGE COMPANIES AND AOS'S**

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION, MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE).